

## PAYMENT OF TAXES

26. U S WEST currently pays property taxes in South Dakota pursuant to SDCL Chapter 10-33. U S WEST's entire 14-state operating system is valued by the South Dakota Department of Revenue (the Department). The Department identifies the portion of the entire 14-state system value attributable to South Dakota taxable property. The value attributable to South Dakota is then apportioned to each county within South Dakota by the Department. Based upon values received from the Department, the counties prepare tax bills and send them directly to U S WEST. U S WEST then pays the annual tax in two installments. The County Auditor then allocates in each county the amount of taxes received from U S WEST among the other taxing jurisdictions, which include, among others, city, township, and other jurisdictions. Testimony of Brad Blinsmon, Transcript of Pierre Hearing at pages 432-435.

27. U S WEST's property taxes cannot be determined on an individual exchange basis because the property taxes are paid on a county basis, and the county boundaries do not coincide with the U S WEST exchange boundaries. Testimony of Brad Blinsmon, Transcript of Pierre Hearing at pages 431-433.

28. Evidence demonstrates that U S WEST paid approximately \$1.6 million in 1994 in property taxes for all the exchanges to be sold in South Dakota. Exhibit 71, attachment.

29. Sully Buttes pays gross receipts tax on its existing telephone operations pursuant to SDCL Chapter 10-33.

30. Buyer will also pay gross receipts tax on the acquired exchanges, at a percentage based on density and number of subscribers per mile. It is estimated that Buyer will pay gross receipts taxes for the exchange as follows:

Exchange	County	%	Amount
Bowdle	Edmunds	90.0%	\$13,566
	Walworth	10.0%	\$1,507

Exhibit 166 at page 4.

31. Based upon the evidence, the Commission finds that the gross receipts taxes paid by all of the acquiring companies will approximate the \$1.6 million previously paid by U S WEST. Exhibit 71, Attachment; Exhibit 166. Such amount of taxes, however, will be paid to school districts and not to counties and other taxing jurisdictions. Any tax losses suffered by any entity within an exchange are the result of tax distribution problems among taxing entities.

## SWITCHED ACCESS RATES

32. The purchase agreement entered into between U S WEST and the Buyer required that intrastate access rates upon the closing of the sale be established at 7 cents per minute until May 1, 1997, or such other later date as the parties may mutually agree. Exhibit 45, Schedule 2.4, subsection E.

33. Pursuant to SDCL 49-31-18 and 49-31-19 and ARSD Chapters 20:10:27 to 20:10:29, inclusive, switched access rates are established by the Commission. Thus, switched access rates cannot be contractually stipulated to by telecommunications companies without approval by the Commission.

34. A request was made by the Buyers at the final hearing pursuant to ARSD 20:10:27:02 to waive the Commission's switched access rules in determining the intrastate access rates to be charged by each Buyer.

35. Pursuant to ARSD 20:10:27:14, switched access rates are determined by the adoption of a historical test year. There will not be a historical test period upon which to base a cost study for intrastate switched access rate purposes pursuant to the Commission's regulations until after a period of 12 months.

36. The U S WEST cost-based switched access rate in the areas to be sold, pursuant to ARSD Chapters 20:10:27 to 20:10:29, inclusive, would be 6.7394 cents per minute as determined in Docket TC93-108, In the Matter of the Establishment of Switched Access Rates for U S WEST. In that docket, U S WEST was allowed to charge an interim rate of 3.14 cents per minute as a phased-in rate pursuant to ARSD 20:10:27:20.

37. The current intrastate switched access rates charged by some of the Buyers exceeds 10 cents per minute, which rates have been approved by the Commission in separate proceedings.

38. The Commission finds that an intrastate switched access rate of 7 cents per minute is a reasonable interim rate until May 1, 1997, and finds good cause to waive its switched access rules pursuant to 20:10:27:02.

39. The interexchange carriers who have objected to an intrastate switched access rate of 7 cents per minute which will be charged to them by the Buyer have failed to show that state-wide averaged toll rates will increase if the sale is approved. Thus, the 7 cents per minute intrastate switched access rate to be charged until May 1, 1997, should not adversely affect the public.

#### EFFECT ON UNIVERSAL SERVICE FUND

40. Under current FCC rules, the sale of exchanges will have no effect on the amount of money paid by the interexchange carriers to the Universal Service Fund (USF) as the amount paid by these carriers is capped by the FCC. The amount that any individual buyer receives from the USF will depend on a decision from the FCC. The total potential

payments from the USF arising from the sale of all 67 exchanges are estimated by the Buyers to be less than \$300,000 out of a total of \$749 million paid nationally in 1995. Exhibit 70 at page 6.

#### GAIN ON SALE

41. U S WEST may have a gain on the sale of certain exchanges. Such gain is the difference between the purchase price and the net investment of the sold exchange. U S WEST has required, as a condition of the sale, that the gain be booked to USOA Account 7350.

42. U S WEST requested that any gain be booked by U S WEST utilizing the FCC's uniform system of accounts codified in 47 C.F.R. Part 32. Part 32 accounting requires that the loss or gain from the sale of telecommunications assets "with traffic" be booked as an Account 7350 event. 47 C.F.R. §§ 32.2000(d)(5) and 32.7350(b). This account is for nonoperating income or expense, neither of which should be included by the Commission or U S WEST in any ratemaking proceeding.

#### REJECTION OF PROPOSED FINDINGS

43. The Commission rejects the proposed findings of fact and conclusions of law submitted by the parties.

#### **CONDITIONS OF SALE**

1. The Commission shall approve the sale of the Bowdle exchange to the Buyer subject to the following conditions:

a. That current local rates not be increased for 18 months from the date the Buyer begins to operate the purchased exchange;

b. That the Buyer shall not recover any of the acquisition adjustment through its regulated interstate or intrastate rates, through its local rates, or through federal or state universal service funds;

c. That the Buyer shall honor all existing U S WEST contracts, commitments, leases, licenses and other agreements which relate to, arise from, or are used for the operation of the purchased exchange;

d. That the Buyer offer, at a minimum, all existing services currently offered by U S WEST in the purchased exchange; and

e. That the Buyer not discontinue any existing extended area service arrangements in the purchased exchange without first obtaining approval from the Commission.

From the foregoing Findings of Fact, the Commission now makes its:

### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over U S WEST and the Buyer and the sale of the Bowdle exchange to the Buyer pursuant to SDCL Chapter 49-31, specifically 49-31-3, 49-31-3.1, 49-31-4, 49-31-7, 49-31-7.1, 49-31-11, 49-31-18, 49-31-19, 49-31-20, and 49-31-59. At the final hearing the Buyer contested the jurisdiction of the Commission pursuant to SDCL 49-31-59 by claiming that it was an ex post facto law. This argument is without merit since ex post facto applies only to criminal laws and laws that assess penalties. Delano v. Pettys, 520 N.W.2d 606, 608 (S.D. 1994). Moreover, the Joint Application was amended on May 1, 1995, which was after the passage of SDCL 49-31-59. In addition, the purchase agreement entered into between U S WEST and the Buyer specifically provides that the Buyer and U S WEST would file an application to apply for and receive approval by the Commission for the transfer of assets and authorities to the Buyer. Finally, the Buyer did not contest, at any of the hearings, the jurisdiction of the Commission pursuant to the other statutes under which the Commission asserts its jurisdiction.

2. The hearings held by the Commission relative to this matter were contested case hearings pursuant to SDCL Chapter 1-26.

3. The Commission has considered, among other things, the requirements of SDCL 49-31-59 in regard to the proposed sale and the protection of the public interest pursuant to SDCL 49-31-7. The Commission finds that it is in the public interest to approve the sale because the sale will allow customers in the Bowdle exchange to be better served in the future.

4. U S WEST and the Buyer have satisfied their burden of proof under SDCL Chapter 49-31, specifically 49-31-3, 49-31-3.1, 49-31-4, 49-31-7, 49-31-7.1, 49-31-11, 49-31-18, 49-31-19, 49-31-20, and 49-31-59 for approval of the sale of the Bowdle exchange.

5. The Commission has considered in reviewing this sale the adequacy of local telephone service. The Buyer is required to provide all services currently offered by U S WEST and may not discontinue any existing extended area service arrangements without first obtaining approval from the Commission. In addition, the Buyer must honor all existing U S WEST contracts and other agreements.

6. The Commission has also considered the reasonableness of local rates. The Commission finds that local telephone service rates for the customers in the sold exchange will remain at the same rates as U S WEST currently charges and there will be no increase in local service rates for at least 18 months. Further, the Buyer is prevented from recovering any of the acquisition adjustment through its local rates.

7. The Commission has determined previously the reasonableness of the local rates for U S WEST.

8. Any existing 911, enhanced 911, and other public safety services provided by U S WEST in the sold exchange will continue to be provided by the Buyer.

9. The Commission has considered the payment of taxes by U S WEST and the Buyer. The Commission has determined that the change in the amount and the form of taxes regarding the sale is not material and should not prevent the sale of the exchange.

10. The Commission has determined that the Buyer has the ability to provide modern state-of-the-art telecommunications services and will help promote economic development, telemedicine, and distance learning in rural South Dakota after the sale.

11. Customers who pay for telephone service do not acquire any interest, legal or equitable, in the property used for their convenience or in the funds of a telephone company who provides that service. The gain from the sale that is derived by U S WEST may be booked to USOA Account 7350, and shall not be used for ratemaking purposes by either U S WEST or the Commission.

12. Pursuant to ARSD 20:10:27:02, the Commission finds that good cause has been shown to waive the application of Chapters 20:10:27 to 20:10:29, inclusive, to determine the intrastate switched access rates to be charged by the Buyer for a period from closing until May 1, 1997.

13. Based upon the evidence presented at the hearing, the interim rate of 7 cents per minute for originating and terminating intrastate access rates sought to be charged by the Buyer to interexchange carriers is consistent with the rate currently charged by local exchange companies pursuant to the Commission's rules and regulations regarding switched access rates. If any interexchange carrier believes that such rate is not fair and reasonable and consistent with such regulations of the Commission regarding switched access, then that interexchange carrier may file a complaint with the Commission.

14. The Commission rejects the proposed findings of fact and conclusions of law submitted by the parties.

15. The Commission approves the sale of the Bowdle exchange by U S WEST to Sully Buttes Telephone Cooperative, Inc., through its subsidiary, Venture Communications, Inc. subject to the Buyer complying with the Conditions of Sale.

Pursuant to SDCL Chapter 1-26, the Commission hereby enters its final decision in this docket. It is therefore

ORDERED that the sale of the Bowdle exchange to Sully Buttes Telephone Cooperative, Inc., through its subsidiary Venture Communications, Inc. is approved subject to the Conditions of Sale; and it is

FURTHER ORDERED that the Commission finds good cause, pursuant to ARSD 20:10:27:02, to grant the request for a waiver of the Commission's switched access rules found in ARSD Chapters 20:10:27 to 20:10:29, inclusive; and it is

FURTHER ORDERED that an interim switched access rate of 7 cents per minute in the Bowdle exchange for a period from closing until May 1, 1997, is approved; and it is

FURTHER ORDERED that U S WEST's request to retain the gain from the sale for the benefit of its stockholders is granted, and such gain shall be booked to USOA Account 7350 and shall not be used for ratemaking purposes by either U S WEST or the Commission; and it is

FURTHER ORDERED that the proposed findings of fact and conclusions of law submitted by the parties are rejected.

Pursuant to SDCL 1-26-32, this Order becomes effective 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 31<sup>st</sup> day of July, 1995.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By Kenneth Stofferahn

Date: 7-1-95

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Kenneth Stofferahn

KENNETH STOFFERAHN, Chairman

James A. Burg

JAMES A. BURG, Commissioner

LASKA SCHOENFELDER, Commissioner  
Dissenting

## COMMISSIONER SCHOENFELDER'S DISSENTING OPINION

U S WEST is a public utility and has enjoyed the rights granted by statute as such. In return it has an obligation to the people of this state to provide telecommunications services in its certified territories and should not be allowed to sell those exchanges that are in sparsely populated areas and keep only those areas that are more densely populated and thus allow the company to realize a higher monetary return. It should not be allowed to sell its exchanges in its territories that have so far, when blended with the rest of U S WEST's corporation's holdings, not qualified as high cost exchanges. U S WEST should not have the right to pick and choose whom it serves.

This sale will cause an increase in the subsidies flowing from national funds to South Dakota companies in a time in our history when both state and federal regulators and all government officials are trying to reduce or eliminate subsidies.

Customers of telephone services will have a smaller voice in the overall regulation of communications services if this sale is approved because of the reduced jurisdiction of the Commissioners that they elect as their representatives to deal with utility matters.

While the overall difference in dollar amounts of taxes is insignificant, the tax shift at this time in the state's history would be extremely burdensome for local government.

There is no factual demonstration in the record that indicates how the Buyers would be more capable of enhancing and promoting economic development in rural areas. There was no testimony or offers of exhibits that outlined definite plans to promote business development or to extend the ability to telecommute and access to the information superhighway to businesses, farms, and small communities in the newly purchased exchanges.

Competition is developing in telecommunications markets everywhere in America. Because of the demographics and geographics of the most rural states of our country, competition develops more slowly. Competition is the best rate regulator and encourages the use and deployment of new technologies. This sale will stymie the development of competition in those rural areas and rural exchanges or prohibit it entirely. The benefits of competition -- lower costs and more choices -- will be denied to the customers of rural South Dakota.

One of the most significant reasons to deny this sale is the prospect of increased intrastate toll prices. In their testimony, the Buyers have indicated that access rates will be increased. That, of course, will be subject to a decision by this Commission. However, any increase in access rates will result in an increase in toll rates. This increase comes at a time when toll rates should be decreasing because of technology and because of competition. We could, in fact, make South Dakota's rural exchanges high-priced islands in the toll market.

The most significant reason I'm voting to deny the sale of these exchanges is that the customers concerns and needs were never considered. Sales were made to more than one company without taking into account the areas of common interest, access to courthouses, schools, businesses, medical facilities, and emergency facilities. I am aware that companies have verbally agreed to keep extended area service agreements; however, in many areas there are no such agreements. This sale would simply make the existing problems worse.

Even with all of the above objections, I would feel a lot more comfort with this sale, and could perhaps approve of a sale that was structured in the users' interest and where the Buyers, as well as the sellers, requested input from community leaders, business and government, to develop a statewide network that would enhance the development of South Dakota as well as make a profit for all telecommunications companies involved. I do not believe these sales are in the public interest or in the interest of the customers of these exchanges, and neither the sellers nor the Buyers have convinced me of that.



STATE OF SOUTH DAKOTA )  
:SS  
COUNTY OF HUGHES )

IN CIRCUIT COURT  
SIXTH JUDICIAL CIRCUIT

CHEYENNE RIVER SIOUX TRIBE )  
TELEPHONE AUTHORITY and U.S. )  
WEST COMMUNICATIONS, INC. )  
Appellant, )  
v. )  
PUBLIC UTILITIES COMMISSION )  
OF SOUTH DAKOTA )  
Appellee, and )  
CORSON COUNTY COMMISSION, )  
McINTOSH CITY COUNCIL and )  
DOUG SCOTT, )  
Intervenors. )

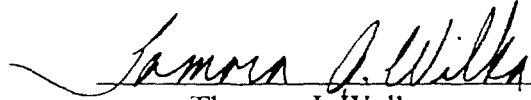
Civ. 95-288

NOTICE OF APPEAL

TO: PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA AND  
CAMRON HOSECK, ITS ATTORNEY; CORSON COUNTY COMMISSION,  
McINTOSH CITY COUNCIL AND ANDREW L. FERGEL, THEIR ATTORNEY;  
DOUG SCOTT AND STEVEN ABERLE, HIS ATTORNEY.

Notice is hereby given that U S WEST Communications, Inc. ("U S WEST") and the  
Cheyenne River Sioux Tribe Telephone Authority ("Telephone Authority"), appeal to the  
Supreme Court of the State of South Dakota from the Order of Remand dated March 3, 1997  
and Memorandum Decision dated February 21, 1997 in Civ. 95-288, and the entire record  
which was an appeal from three separate decisions of the Public Utilities Commission of  
South Dakota in docket TC94-122 entitled "In the matter of the Sale of Certain Telephone  
Exchanges by U S WEST Communications, Inc to Certain Telecommunications Companies  
in South Dakota". Notice of Entry of Order of Remand was served on March 11, 1997.

Dated this 9<sup>th</sup> day of May, 1997.



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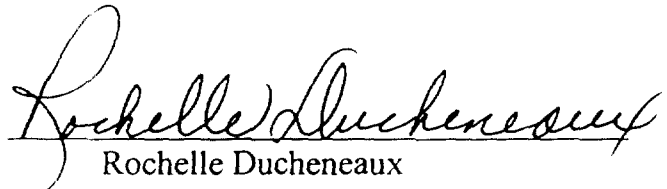
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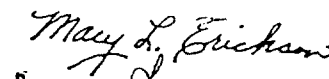
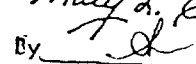
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STATE OF SOUTH DAKOTA  
CIRCUIT COURT, HUGHES CC

FILED

MAY 09 1997

 CLERK  
By  Deputy

**IN THE SUPREME COURT  
OF THE STATE OF SOUTH DAKOTA**

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CHEYENNE RIVER SIOUX TRIBE	)	
TELEPHONE AUTHORITY and U.S.	)	
WEST COMMUNICATIONS, INC.	)	
	)	No. 20062
Appellant,	)	
	)	
v.	)	STIPULATION FOR STAY
	)	OF BRIEFING SCHEDULE
	)	
PUBLIC UTILITIES COMMISSION	)	
OF SOUTH DAKOTA	)	
	)	
Appellee, and	)	
	)	
CORSON COUNTY COMMISSION,	)	
McINTOSH CITY COUNCIL and	)	
DOUG SCOTT,	)	
	)	
Intervenors.	)	

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The parties, through their respective counsel, agree and stipulate to the following:

1. On May 9, 1997, U S WEST Communications, Inc. ("U S WEST") and the Cheyenne River Sioux Tribe Telephone Authority ("Telephone Authority") filed a Notice of Appeal to the Supreme Court of the State of South Dakota of South Dakota from an Order of Remand dated March 3, 1997 and Memorandum Decision dated February 21, 1997 in Civ. 95-288, and the entire record which was an appeal from three separate decisions of the Public Utilities Commission of South Dakota in docket TC94-122 entitled "In the Matter of the Sale of Certain Telephone Exchanges by U S WEST Communications, Inc. to Certain

Telecommunications Companies in South Dakota." See attached Exhibit 1 (Notice of Appeal).

2. The Memorandum Decision affirmed in part and reversed and remanded in part the Commission's decision denying U S WEST's proposed sale of three local telephone exchanges to the Telephone Authority. See attached Exhibit 2 (Memorandum Decision).

3. The Memorandum decision was incorporated by reference into the Order of Remand. See attached Exhibit 3 (Order of Remand).

4. After researching the applicable law, it appears that the issue is unsettled by this Court whether a party must file a direct appeal prior to remand to preserve issues ruled upon by the circuit court adversely to that party which are not subject to the remand. The parties desire to have the Commission resolve the issues on remand and also preserve their positions on issues not subject to remand.

5. By way of this stipulation, the parties desire to preserve for appeal those issues decided adversely to appellants so that the parties may proceed with a single appeal at a later date.

6. Accordingly, the parties agree and stipulate to a stay of all briefing in this appeal pending the Commission's decision on remand and any proceedings which may be

taken in the circuit court arising from such remanded decision.

Dated this 7<sup>th</sup> day of May, 1997



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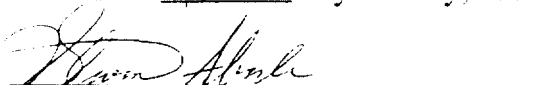
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Dated this 12<sup>th</sup> day of May, 1997



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Dated this 13<sup>th</sup> day of May, 1997



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Dated this 19<sup>th</sup> day of May, 1997

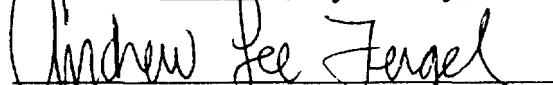


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Dated this 14<sup>th</sup> day of May, 1997



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IN THE SUPREME COURT  
OF THE  
STATE OF SOUTH DAKOTA

JUN 19 1997

GREENE, MEYER & McELROY

\* \* \* \*

CHEYENNE RIVER SIOUX TRIBE	)	ORDER APPROVING STIPULATION
TELEPHONE AUTHORITY and US	)	FOR STAY OF BRIEFING SCHEDULE
WEST COMMUNICATIONS, INC.,	)	
Appellants,	)	#20062
vs.	)	
PUBLIC UTILITIES COMMISSION	)	
OF SOUTH DAKOTA,	)	
Appellee,	)	
and	)	
CORSON COUNTY COMMISSION,	)	
McINTOSH CITY COUNCIL and	)	
DOUG SCOTT,	)	
Intervenors and Appellees.	)	

The parties in the above-entitled matter having filed a stipulation for stay of the briefing schedule in said matter pending a decision by the Public Utilities Commission of issues remanded to it by the trial court in this action, and the Court having considered said stipulation and being fully advised therein, now, therefore, it is

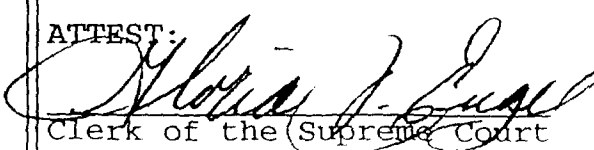
ORDERED that briefing in the above-entitled matter be and it is hereby stayed pending decision by the Public Utilities Commission of the issues before it on remand.

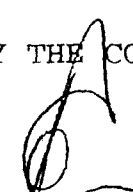
IT IS FURTHER ORDERED that the parties shall give immediate notification to this Court when said decision is issued by the Public Utilities Commission.

DATED at Pierre, South Dakota this 17th day of June, 1997.

BY THE COURT:

ATTEST:

  
Clerk of the Supreme Court  
(SEAL)

  
Robert A. Miller, Chief Justice

Participating: Chief Justice Robert A. Miller and Justices Richard W. Sabers,  
Robert A. Amundson, John K. Konenkamp and David Gilbertson.

STATE OF SOUTH DAKOTA )  
:SS  
COUNTY OF HUGHES )

IN CIRCUIT COURT  
SIXTH JUDICIAL CIRCUIT

CHEYENNE RIVER SIOUX TRIBE )  
TELEPHONE AUTHORITY and U.S. )  
WEST COMMUNICATIONS, INC. )  
 )  
Appellant, )  
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v. )  
 )  
PUBLIC UTILITIES COMMISSION )  
OF SOUTH DAKOTA )  
 )  
Appellee, and )  
 )  
CORSON COUNTY COMMISSION, )  
McINTOSH CITY COUNCIL and )  
DOUG SCOTT, )  
 )  
Intervenors. )

Civ. 97-348

JOINT  
NOTICE OF APPEAL

TO: PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA AND  
ROLAYNE AILTS WIEST, ITS ATTORNEY AND WILLIAM BULLARD, ITS  
EXECUTIVE DIRECTOR; CORSON COUNTY COMMISSION, McINTOSH CITY  
COUNCIL AND ANDREW L. FERGEL, THEIR ATTORNEY; DOUG SCOTT  
AND STEVEN ABERLE, HIS ATTORNEY.

Notice is hereby given that U S WEST Communications, Inc. ("U S WEST") and the  
Cheyenne River Sioux Tribe Telephone Authority ("Telephone Authority"), appeal to the  
Supreme Court of the State of South Dakota from the Order Affirming Findings of Fact and  
Conclusions of Law dated February 18, 1998 in Civ. 97-348, and the entire record which was  
an appeal of the following decisions of the Public Utilities Commission of South Dakota in  
docket TC94-122 entitled "In the Matter of the Sale of Certain Telephone Exchanges by U  
S WEST Communications, Inc. to Certain Telecommunications Companies in South

Dakota.";

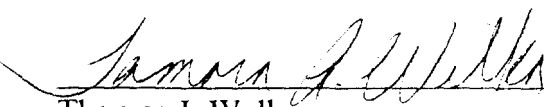
Amended Decision and Order Regarding Sale of the Timber Lake Exchange (Aug. 22, 1997);

Amended Decision and Order Regarding Sale of the Morristown Exchange (Aug. 22, 1997);

Amended Decision and Order Regarding Sale of the McIntosh Exchange (Aug. 22, 1997).

Notice of Entry of Order Affirming Findings of Fact and Conclusions of Law was served on February 23, 1998.

Dated this 25th day of March, 1998.

  
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Telephone Authority



**IN THE SUPREME COURT  
OF THE  
STATE OF SOUTH DAKOTA**

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CHEYENNE RIVER SIOUX TRIBE  
TELEPHONE AUTHORITY and U.S.  
WEST COMMUNICATIONS, INC.

No. 20062 and 20464

Appellant,

v.

PUBLIC UTILITIES COMMISSION  
OF SOUTH DAKOTA

Appellee, and

CORSON COUNTY COMMISSION,  
McINTOSH CITY COUNCIL and  
DOUG SCOTT,

Intervenors.

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**STIPULATION  
CONSOLIDATING APPEALS FOR  
PURPOSES OF BRIEFING AND  
SUBMISSION**

The parties, through their respective counsel, agree and stipulate to the following:

1. On July 31, 1995, the Public Utilities Commission of South Dakota ("the Commission") entered three separate decisions in docket TC94-122 entitled "In the Matter of the Sale of Certain Telephone Exchanges by U S WEST Communications, Inc. to Certain Telecommunications Companies in South Dakota" denying the Cheyenne River Sioux Tribe Telephone Authority's ("Telephone Authority") application to purchase the Timber Lake, Morristown and McIntosh Telephone Exchanges
2. U S WEST and the Telephone Authority appealed the decisions to the Circuit Court. The Circuit Court entered an Order of Remand on March 6, 1997, affirming in part and reversing and remanding in part the Commission's decisions denying the proposed sales.

3. U S WEST and the Telephone Authority filed a Notice of Appeal on May 9, 1997, which was assigned appeal No. 20062, as a protective filing. The parties subsequently stipulated to stay the briefing schedule pending the Commission's decision on remand and any proceedings which might be taken in circuit court arising from such decision with the intention of proceeding with a single appeal at a later date.

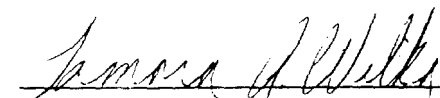
4. On June 17, 1997, this Court entered an order approving the stipulation.

5. On August 22, 1997, the Commission entered amended decisions once again denying the proposed sales. U S WEST and the Telephone Authority again appealed the decisions and on February 18, 1998, the Circuit Court entered an order affirming the findings of fact and conclusions of law.

6. On March 30, 1998, U S WEST and the Telephone Authority filed a Joint Notice of Appeal which has been assigned appeal No. 20464.

7. Although the appeals are from decisions rendered during two different time periods, they arise from the same proposed transactions and thus, should be consolidated for purposes of briefing and submission to the Court.

Dated this 16<sup>th</sup> day of April, 1998




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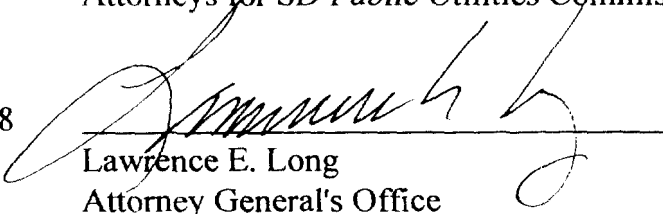
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A handwritten signature in cursive script, reading "Andrew L. Fergel", written over a horizontal line.

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IN THE SUPREME COURT OF THE  
STATE OF SOUTH DAKOTA

Nos. 20062 & 20464

CHEYENNE RIVER SIOUX TRIBE TELEPHONE  
AUTHORITY and U S WEST COMMUNICATIONS, INC.,

Appellant,

v.

PUBLIC UTILITIES COMMISSION OF SOUTH DAKOTA,

Appellee, and

CORSON COUNTY COMMISSION, McINTOSH CITY COUNCIL  
and DOUG SCOTT,

Intervenors

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JOINT BRIEF OF APPELLANTS

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APPEAL FROM THE CIRCUIT COURT  
SIXTH JUDICIAL CIRCUIT, HUGHES COUNTY, SOUTH DAKOTA  
THE HONORABLE STEVEN L. ZINTER, PRESIDING

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NOTICE OF APPEAL IN NO. 20464 FILED ON MARCH 25, 1998  
NOTICE OF APPEAL IN NO. 20062 FILED ON MAY 9, 1997

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